

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

UNITED STATES OF AMERICA,)
Plaintiff,)
vs.) CIVIL NO. DNCW3:18CV000186
DONALD M. BROWN, JR.) (Financial Litigation Unit)
Defendant.)

COMPLAINT

The United States of America, by and through its undersigned counsel, for its cause of action against Defendant states the following:

1. Plaintiff is the United States of America ("United States") and this Court has jurisdiction over the subject matter of this action by virtue of 28 U.S.C. § 1345. This is a debt collection action pursuant to the Federal Debt Collection Procedures Act of 1990, 28 U.S.C. § 3001 *et seq.*
 2. Defendant, Donald M. Brown, Jr., is a resident of the City of Charlotte, Mecklenburg County, North Carolina, residing within the jurisdiction of this Court in the Western District of North Carolina.
 3. Defendant is not in military service within the purview of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended by the Service Members' Civil Relief Act of 2003.
 4. Defendant executed a promissory note to secure a loan from the Department of Education. The loan proceeds were disbursed to or on behalf of Defendant. Defendant has defaulted on the obligation to repay the loan(s). Pursuant to 34 C.F.R. § 685.202(b), unpaid interest was capitalized and added to the principal balance.

5. Defendant is indebted to Plaintiff in the principal amount of \$25,593.02, plus interest on this principal computed at the applicable note rate in the amount of \$23,889.02 as of January 10, 2018, and interest thereafter on this principal at the applicable note rate from this date until the date of judgment.

6. A copy of the Certificate of Indebtedness establishing the basis for Defendant's liability for this debt and a copy of the Promissory Note signed by Defendant is attached to this Complaint as Exhibit A and incorporated by reference.

7. Demand has been made upon Defendant by Plaintiff for the total amount owed but Defendant has failed to pay same.

Wherefore, Plaintiff prays for judgment against Defendant for the total amount of \$49,482.14 as of January 10, 2018, plus interest from the filing of this complaint to the date of judgment, the costs of this action and such other and further relief to which Plaintiff may be entitled in law or equity. Plaintiff further demands, pursuant to 28 U.S.C. § 1961, that interest on the judgment be at the legal rate until paid in full.

This April 11, 2018.

R. ANDREW MURRAY
UNITED STATES ATTORNEY
WESTERN DISTRICT OF NORTH CAROLINA

s/Tiffany Mallory Moore
Assistant United States Attorney
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U. S. DEPARTMENT OF EDUCATION
SAN FRANCISCO, CALIFORNIA

CERTIFICATE OF INDEBTEDNESS #1 OF 1

DONALD M BROWN
AKA DONALD M BROWN, JR

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
Account No.XXXXX3040

I certify that U.S. Department of Education records show that the BORROWER named above is indebted to the United States in the amount stated below plus additional interest from 01/10/18.

On or about 03/04/91, the BORROWER executed a promissory note to secure a Federal Family Education Loan Program Consolidation loan from SALLIE MAE, MERRIFIELD, VA. This loan was disbursed for \$31,161.67 on 04/19/91 at 10.0 % interest per annum. The loan obligation was guaranteed by GREAT LAKES HIGHER EDUCATION CORPORATION, and then reinsured by the Department of Education under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et seq. (34 C.F.R. Part 682). The holder demanded payment according to the terms of the note, and credited \$7,532.11 to the outstanding principal owed on the loan. The BORROWER defaulted on the obligation on 12/07/04, and the holder filed a claim on the loan guarantee.

Due to this default, the guaranty agency paid a claim in the amount of \$26,331.83 to the holder. The guarantor was then reimbursed for that claim payment by the Department under its reinsurance agreement. Pursuant to 34 C.F.R. § 682.410(b)(4), once the guarantor pays on a default claim, the entire amount paid becomes due to the guarantor as principal. The guarantor attempted to collect this debt from the BORROWER. The guarantor was unable to collect the full amount due, and on 09/03/2013, assigned its right and title to the loan to the Department.

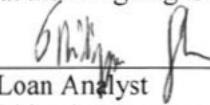
Since assignment of the loan, the Department has credited a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the BORROWER now owes the United States the following:

Principal:	\$25,593.02
Interest:	\$23,889.12
Total debt as of 01/10/18:	\$49,482.14

Interest accrues on the principal shown here at the rate of \$7.01 per day.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 2-7-18



Loan Analyst
Litigation Support Unit

Philippe Gullion
Loan Analyst

Government Exhibit A

MAR 08 1991

Application/Promissory Note

(Failure to complete all information will result in processing delays.)

CANCELLATION DATE

"I declare under penalty of perjury that
the foregoing is a true and correct copy
of the original Promissory Note."
Eileen L. Wolfe

Signature: _____
Title: Manager, Education Account Counseling
and Collection Support

ALIG. 07 2013

Date: _____

Section I: Personal Information

1. LAST NAME: BROWN	MIDDLE NAME: DONNA	2. SOCIAL SECURITY NUMBER: 3040	4. NATIONAL ID NUMBER: 1234567890
ADDRESS: [REDACTED]	3. DATE OF BIRTH: 12/12/1961	5. GRADUATION DATE: [REDACTED]	
4. PREFERRED ADDRESS OF MOTHER: [REDACTED]	Name and Address of a Relative Who Does Not Live With Me		6. Name and Address of a Non-Relative
5. My Employer: [REDACTED]	[REDACTED]		7. [REDACTED]

Section II: Student Loan Information (Please read instructions carefully.)

NAME AND ADDRESS OF CREDITOR	CONSOLIDATION NUMBER	TYPE OF LOAN	INTEREST RATE	9. 10.	11. 12.	13.	14. ESTIMATED CURRENT OUTSTANDING BALANCE
				DATE OF DISBURSEMENT	ACCOUNT NUMBER	DATE	
1. SAME AS #1		GSL	8%	7-23-87	246-20240	45,000	
1. SAME AS #1		GSL	8%	9-13-87	246-44240	45,000	
1. SAME AS #1		GSL	8%	1-12-86	246-60240	45,000	
1. SAME AS #1		ALAS	12%	7-27-87	246-00240	45,000	
1. SAME AS #1		ALAS	12%	7-20-85	246-44240	45,000	
1. SAME AS #1		ALAS	12%	7-21-86	246-44240	45,000	

If any of the loans indicated above are Student GSAs and if you are currently in your grace period on these loans and would like to propose repayment terms after your grace period ends, please replace the upper right hand corner of this application (line 2), by writing the word "GSA" and indicating the date your grace period will end.

To Sallie Mae: By means of this application, I am applying to have my loans consolidated from a SMART LOAN Account at Sallie Mae, as allowed under Section 428C of the Higher Education Act of 1965, as amended ("The Act"). I do not accept this application as my understanding that Sallie Mae will be liable on behalf of the borrower(s) of the loans described above in order to pay off these loans. I further understand that the amount of my SMART LOAN will equal the sum of the amounts in both my existing verifying the payoff balance on the date of application. If the unpaid principal balance of my SMART LOAN exceeds the amount needed to pay off my loans, I understand that Sallie Mae will accept the additional amount. If the amount that Sallie Mae advances to my lender(s) is less than the amount needed to pay off my loans, I agree to either pay off the remaining balance or take such action as Sallie Mae deems appropriate to authorize Sallie Mae to include the remaining amount on my SMART LOAN. If I am consolidating AT AS (as called SLS, Supplemental Loans for Students) loans at 8.7% Sallie Mae and my interest is as my consolidation loan is higher than 9%, Sallie Mae will notify me prior to designating the SMART LOAN.

Section III: REPAYMENT OPTIONS/Combined Payment Plan

All Borrowers: Check One

5. <input type="checkbox"/> I choose the MAX-2 OPTION with two years of interest-only payments.	<input checked="" type="checkbox"/> I choose the MAX-4 OPTION with four years of interest-only payments.	<input type="checkbox"/> I choose a LEVEL PAYMENT PLAN	16. <input type="checkbox"/> I am applying for a Combined Payment Plan. Please include in this plan HEAL loans listed above which are owned by Sallie Mae.
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Section IV: General Information (Please read and sign in both places indicated.)

PROMISE TO PAY

7. I, the undersigned borrower, promise to pay to the Student Loan Marketing Association (Sallie Mae) at Student Loan Marketing Association, P.O. Box 1650 Merrifield, VA 22116 (or such other address as designated by Sallie Mae) such sum or sums as is advanced on my behalf, to pay date simple interest on the unpaid principal balance at the rate(s) disclosed on the reverse side hereof, all in accordance with a payment schedule to be furnished to me, and to pay all other charges, reasonable attorney's fees, and other costs named or by law are imposed by Sallie Mae, the collection of any unpaid sum paid when due. I understand that the maximum amount of time which will be deducted from the principal of my loans for consideration of fees paid by the creditor of such loans and my unpaid expenses of such unpaid balances. My signature below certifies that I am not, in fact, deceased, and agreed to the conditions and understandings stated in the terms herein and on the reverse side of this instrument received a copy of it as appears on my signature page.

APPLICANT CERTIFICATION

By my signature, I certify that I am in repayment status or in a grace period preceding repayment, and not more than one year delinquent on any of the loans I have chosen for consolidation that are listed above. All of the loans selected for consolidation have been made to me to finance my education. I also certify that (1) I have no consolidations in progress pending with another lender and (2) Sallie Mae does not hold any of my loans referred for consolidation in this section above or I do not have a refund on any Perkins or Supplemental Educational Opportunity Grant, and that I am not in default on any Sallie Mae, Perkins, NDSL, SLS/ALAS, PLUS, or consolidation loan.

I certify that the above information is true and correct. I have read the material and understood my rights and responsibilities under the loan consolidation program. This application/consolidation note will be governed by Federal law applicable to consolidated loans.

CRIMINAL PENALTIES

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties, which may include fines or imprisonment under the United States Criminal Code and Section 493 of this Act.

8. SIGNATURE: <i>April M. Brown</i>	DATE: <i>March 4, 1991</i>
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DRH

PERMISSION TO VERIFY LOAN BALANCES
To whom it may concern, I hereby authorize you to release to Sallie Mae, for purposes of verifying student loan disbursements in order that I may consolidate my existing loans into a consolidation loan or enter into a combined payment plan pursuant to the Higher Education Act of 1965, as amended, any information concerning my student loans that Sallie Mae requires in connection with such loan consolidation or combined payment plan. This information is for the use of Sallie Mae in consolidating my student loans. I urge users of this service to be diligent.

9. Your prompt reply and cooperation will help to expedite my loan consolidation. Thank you.

ACCOUNT SIGNATURE: <i>April M. Brown</i>	DATE: <i>March 4, 1991</i>
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SOC. SEC. NO.: *[REDACTED]*

SSN: *[REDACTED]*

SALLIE MAE COPY